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#### INFORMATION REPORT

COUNTRY Yugoslavia

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SUBJECT Reaction of People to United States Aid

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THIS IS UNEVALUATED INFORMATION

- The people in Belgrade are manifesting a disinterest in Yugoslav border incidents, the Korean conflict, and other world events because their sole preoccupation at present is with obtaining food to survive the coming winter months. The declaration made by Dean Acheson on assistance to be given Yugoslavia brought little solace to the people who feel that foreign aid, even when coming from the United States, will not suffice.
- 2. Acheson's declaration had widespread repercussions in political circles. Titoists consider it a victory because, in their estimate, the regime succeeded in obtaining promises of help at a time when the United States hesitates making foreign grants, without exacting any concessions either of an ideological nature or affecting internal and foreign policies. The opposition believes that American aid may induce the government to carry out a few agrarian changes but, with respect to the state itself, the Yugoslav people will have lost ground in their efforts to rid the country of the regime.
- 3. Many people have no food ration cards and at present they represent the most restless element. These people are compelled to pay exorbitant prices on the free market which in Serbia and Vojvodina run as follows: one kilogram of onions costs between 100 and 300 dinars; one kilogram of potatoes between 60 and 70 dinars; wheat flour is between 100 and 180 dinars a kilogram; corn meal costs between 80 and 110 dinars a kilogram; and one square meter of wood costs between 3,000 and 4,000 dinars. Even those who have food ration cards must buy some items on the free market, and the purchasing power of the highest paid government employees and workers does not meet with expenses.
- The collapse of the Communist agrarian system is attributed to the following basic reasons:
  - The general exodus of Germans (Volksdeutsche) who formerly were the best farmers in the most fertile regions of Yugoslavia, i.e., Backa, Benat, Srem, and Slovenia.

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- b. Most of the farmland in the aforementioned area was converted into collective farms and the inexperienced hands which now work the land produce a minimum. This also has been the case in Lika, Montenegro, Bosnia-Hercegovina, and Dalmatia.
- c. Recently created state farms (Soflozi) and the farm cooperatives (Kolkhozi) have not been a success despite the advantages and special privileges granted by the regime.
- d. There has been a lack of manpower for farming purposes resulting from the induction of farmers into industry and the mines. Young farmers prefer to work in the cities rather than on the farms because they find life easier there.
- e. The discontent among the farmers with the regime has been a considerable factor.
- f. The Five Year Plan, which requires the participation of government agencies at all levels, has proved to be a bottleneck. Theorists and would-be specialists in the ministries and regions estimate how much planting should be done on a piece of land and the type and variety of grain to be sown, which creates problems. Furthermore, the District People's Committees direct the work among the farmers and they do not always have farming specialists on their staffs. As a result, the objectives established by the Flan usually cannot be attained. In many cases, the farmers offered passive resistance because of the little profit involved for them, the Flan usually was behind schedule, seeds were planted in ill-prepared terrain without consideration for climatic conditions and, as a result of top-level mismanagement, the crops often were totally ruined.

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